

PRIVATE & CONFIDENTIAL

**PROPOSAL FOR THE
MANAGEMENT OF
CO-OPERATIVE HOUSING
IN THE SOUTHERN &
EASTERN REGIONS OF
MELBOURNE**

**Presented By:
'SouthEast Housing Co-operative'
Working Group**

DRAFT

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EXECUTIVE SUMMARY

The SouthEast Housing Co-operative Working Group's (SouthEast) proposal for the management of Rental Housing Co-operatives (R.H.C.s) in southern and eastern metropolitan areas of Melbourne, presents an innovative model for the future management of the non-profit co-operative housing sector to the Office of Housing's Community Housing Group. The SouthEast model will deliver sound and responsible management and provide a range of cost efficiencies and benefits.

This management proposal is based on two significant factors.

1. A recognition of the need to develop a refined management structure for housing co-operatives which is capable of providing improved financial transparency, greater accountability and a more professional management structure.
2. Rental Housing Co-operatives as organisational units, are structures that should be retained. Since the inception of the rental housing co-operative sector in Victoria in 1977 it has provided a vital housing option for a large number of low income families who have been offered the opportunity of direct involvement in the management of their housing. Through their membership of housing co-operatives, members have been provided with secure, affordable housing and the opportunity to re-gain control over their lives

In response to the re-structure of the community housing sector, SouthEast has taken the initiative to work towards the merging of a number of Rental Housing Co-operatives (RHC) to form one larger Co-operative which will be totally responsible for the management of housing previously under lease to the merged co-operatives. SouthEast will achieve the identified goals of the community housing re-structure, and enhance the development of the co-operative housing sector. SouthEast members, who collectively have years of experience in the co-operative housing sector, have developed a structure that has carefully chosen the most successful aspects of management and refined or improved upon less effective aspects of the program. The end result is a management structure which will demonstrate increased efficiencies through economies of scale, improved accountability and a more professional management structure.

Initially it is proposed that Frankston, Ringwood/Croydon and Oakleigh R.H.C.s will merge under their current lease arrangements. This entails transferring the rights and liabilities of the RHCs to SouthEast, merging assets, amalgamating management functions and implementing new operational systems under the new co-operative structure. It is proposed that Eastern Suburbs RHC will enter the merger at a later date.

The Board of Directors, consisting of up to two independent directors and seven member directors elected by all members, will be totally responsible for the overall governance of SouthEast. Former R.H.C.s will become zones of SouthEast and form Area Committees and will maintain responsibility for certain local matters, while being accountable to the Board of Directors. SouthEast has developed a comprehensive management planning cycle to guarantee professional asset management, financial reporting and a process for evaluation and review of the organisation. SouthEast has developed policies, procedures and protocols to regulate the activities of the organisation and has developed operational procedures which represents best practice in the management of rental housing co-operatives.

SouthEast will establish a central office in Dandenong and rationalise staffing positions subject to budget considerations. Throughout the establishment period SouthEast will seek to recruit other RHCs who are interested in joining the co-operative. Following the establishment period SouthEast will explore opportunities to expand its housing stock through other mergers, partnership arrangements and tendering for specific program funding.

In conclusion, the SouthEast proposal presents an innovative opportunity to the Office of Housing for the future management of co-operative housing which is capable of embracing change, delivering cost efficiencies and benefits and meeting stringent accountability requirements. Through the development of a sound management structure SouthEast will be responsive to the challenges of the future and capable of future expansion.

1. Background

1.1 Introduction

The development of the SouthEast Housing Co-operative's (SouthEast) management proposal for long term co-operative housing was undertaken with the goal of ensuring the on-going viability of the participating co-operatives and to gain the best advantage from the community housing re-structure implemented in 1996.

The intention of SouthEast is to develop a management model capable of providing cost savings through increased efficiencies and sound financial management, as well as increased accountability in keeping with the Office of Housing's community housing re-structure guidelines. At the same time SouthEast intends to maintain the co-operative principles upon which Rental Housing Co-operatives (RHCs) were established and to offer security of tenure to the tenant members of the co-operatives.

SouthEast has been established for the following reasons.

1. The RHCs involved recognised the need for re-evaluation and change within the current program.
2. A need to establish an organisation which will give them a more secure management option in line with the community housing re-structure and the changing face of rental housing co-operatives and community housing.
3. Maximise opportunities from the community housing re-structure.
4. Ensure the future of long term co-operative housing.

SouthEast's proposal is a positive response to the community housing restructure and presents an innovative model for the future management of rental housing co-operatives which will enable them to continue to develop as efficient and effective housing providers. The SouthEast model will produce significant cost efficiencies and benefits, while providing low income families, people with disabilities and older people with an excellent housing option and improved quality of life.

The following factors were crucial to the development of SouthEast's sound management base:

- To centralise all financial management, including amalgamation of all finances held by the member co-operatives, centralised rent collection and financial accounting systems
- To centralise the asset management and staff management;
- To operate with policies and procedures that have proven to be the most effective means of managing community housing.
- To consult with tenants of co-operatives as far as practical in important decisions of SouthEast which directly affect tenants.
- To provide appropriate professional training for members who choose to nominate for the position of member directors, to enable them to successfully function as part of a Board of Directors which will include a number of independent (non-member) directors.
- To work towards the promotion of community housing / co-operatives.

1.2 Agreement between participating organisations

Through discussions of the community housing re-structure it became apparent that a number of co-operatives had common expectations and hopes about the community housing re-structure and shared a similar commitment to an improved management structure. As a consequence an agreement was reached between the participating co-operatives to form a partnership to work on a merger proposal and a new management structure.

A Working Group consisting of three members of each RHC was formed in 1997 to develop a model for the south-east region and to work towards the establishment of a larger housing co-operative. The Working Group has worked to prepare this proposal by drawing on the combined experience of the founding RHCs and sought professional advice to develop sound

financial and operational plans based on best business practices for a new, larger management organisation.

In late 1998, the Frankston, Eastern Suburbs and Ringwood/Croydon RHCs formally agreed to merge to form SouthEast. In July of this year the Oakleigh RHC also agreed to join the merger. The Office of Fair Trading & Business approved the merger in August '99, however recent events have resulted in Eastern Suburbs RHC temporarily withdrawing from the merger until such time as they resolve their internal issues.

At the time of the incorporation, 101 properties will be under lease to the SouthEast, with the possibility of a further 39 additional properties should Eastern Suburbs RHC properties become part of SouthEast.

1.3 Key Strengths of Proposal

The SouthEast proposal for the management of properties previously managed by the Frankston, Ringwood/Croydon and Oakleigh RHCs in the short term, and to include other co-operatives in the southern and eastern regions of Melbourne in the long term, has a number of key strengths which will be of great benefit to the Office of Housing. These strengths are listed over the page.

1. Members and staff of all three co-operatives have had extensive experience in property and tenancy management and maintained sound financial management of their co-operatives over an extended period of time.
2. Prior knowledge of operational procedures and tenants will enable SouthEast to achieve a smooth transition from current management structure of RHCs to an expanded more professional management structure, involving far less disruption than would be the case if an alternative management group was to assume management responsibilities for RHCs.
3. More likely to attract other RHCs which will allow SouthEast to ensure financial viability through economies of scale.
4. Professional independent directors bring considerable additional expertise, over and above current workers and tenant members, as well as independent and objective points of view.
5. Established links and networks with other relevant organisations which will assist in establishing protocols and agreements with respect to referrals, co-operation etc..
6. Reimbursement of Director's expenses will allow SouthEast to attract better qualified directors and this may encourage them to maintain their involvement.

1.4 Key assumptions

- Eligibility criteria for SouthEast will be based on the public housing criteria.
- Rental costs will be based on a maximum of 25% of income
- Rebated rents will be on-going.
- OoH will continue to be responsible for funding secondary upgrading
- All tenants of co-operatives housed prior to 4/10/98 who join SouthEast will retain their "existing tenant" status and maintain the entitlements attached to this status. Tenants housed after 4/10/1998 will be subject to 3 yearly eligibility reviews, except for those over 65.

2.1 ORGANISATIONAL PROFILE

2.1 Establishing a Viable & Effective Organisation

The central goals and outcomes desired by the founding co-operatives of SouthEast include:

1. To establish a viable and effective organisation to manage long term community housing.
2. To successfully manage the finances, assets and tenancy arrangements of the co-operative.
3. To ensure the on-going existence of the participating co-operatives.
4. To provide opportunities for tenants and co-operatives to have input to SouthEast and to the management of community housing.
5. To work towards an improved management structure for the co-operative housing sector.

Professional advice has been obtained on the establishment of SouthEast and the refinement of Rules in accordance with our needs. When this management proposal is formally approved the foundation members will proceed to incorporate the co-operative as SouthEast Housing Co-operative Ltd. The former co-operatives will cease to exist following incorporation and will become Area Committees under SouthEast's auspice.

2.2 Vision/Mission

Mission Statement: To provide effective and efficient management of long term community housing in the southern and eastern regions of Melbourne that is highly responsive to public needs, while maximising opportunities for tenant involvement in the management and operation of the Co-operative.

Aims and Objectives

- To effectively and efficiently deliver an accessible, affordable and quality housing service.
- To operate a community housing organisation based on the principles of co-operation, social justice and voluntary participation.
- To be effective property managers and a financially accountable organisation.
- To provide opportunities for tenants to have involvement in the management of their housing.

Vision

To achieve financial viability through growth and development in the management of co-operative housing and other forms of community housing in the southern and eastern regions of Melbourne.

2.3 Description of Organisation

SouthEast will be responsible for the management of long term community housing in the southern and eastern regions of Melbourne as detailed in the lease arrangements with the Director of Housing. SouthEast will be responsible for the following management matters:

- financial management;
- asset management;
- staff management;
- implementation of policy;
- liaison with the Office of Housing, other Government Departments and other agencies
- development of mechanisms to encourage tenant involvement in the operation of the co-operative governed by a Board of Directors;
- education and training.

2.4 Legal status

SouthEast Housing Co-operative will formally incorporate as:

- a) A non-trading co-operative with no shares, governed by a core body of directors who form a Board of Directors. The model rules of SouthEast will make provision for a minimum of seven member directors and a maximum of two independent directors.

Frankston RHC, Ringwood/Croydon RHC and Oakleigh RHC formally agreed to a merger of their co-operatives to form the SouthEast Housing Co-operative in early 1999. The three foundation RHCs notified the Office of Fair Trading & Business Affairs (OFT&BA) of their intention to merge in April, 1999 and requested and were granted an exemption from having to conduct a postal ballot and formal disclosure process as members have been kept fully informed throughout merger negotiations. The Directors were empowered to resolve to merge on behalf of all members.

Following the incorporation of SouthEast the OFT&BA will dissolve the three foundation co-operatives and all assets and undertakings will be transferred to SouthEast. Section 335(2) of the Co-operations Act 1996 provides that upon a merger:

- a) "the assets of the original body vest in the new body without the need for any conveyance, transfer, assignment or assurance and
- b) the rights and liabilities of the original body become the rights and liabilities of the new body."

Therefore upon the merger the three Co-operatives, their rights under the three leases will be automatically vested in SouthEast without the need for transfer as there is nothing in the lease which prohibits a merger.

The foundation co-operatives and other co-operatives that chose to merge with SouthEast will cease to be incorporated bodies in their own right and will operate as Area Committees within their particular geographical zone. All tenants will be non share holding members of SouthEast. As tenants will not hold shares in the co-operative there will be no need to cancel shares when tenants vacate properties. A member who is elected to the Board will become a Member Director as outlined in the Rules of the co-operative.

2.5 Overview of structure

2.5.1 Governance

The Board of Directors will be responsible for the overall governance of the organisation. The roles of the Board and the Staff will be clearly separated and defined. Systems and Position Descriptions reflect these responsibilities.

The five key governance functions of the Board will be to:

- Monitor and control organisation performance
- Set direction
- Review and endorse management plans
- Appoint and manage staff
- Achieve successful outcomes

The management functions will be the responsibility of staff members who will be supervised by the Staffing Sub-committee (refer page 15 & 16)

2.5.2 Board of Directors

The Board will consist of nine directors, one or two appointed independent directors and seven or eight member directors who will be nominated and elected by tenant members. The Chairperson of the Board will be nominated at the first meeting of the Board immediately proceeding the inaugural general meeting of the co-operative. The composition of the Board is crucial to the overall performance of the co-operative and the co-operative will obtain a sensitive balance of skill level and expertise as well as a fair representation from the various areas under the management of SouthEast. Initially is proposed that the Board of Directors will consist of the following.

Member Directors - Seven or eight positions for members.	Independent Directors – One or two positions for non-members.
<p>- Six Member Director positions will be tagged to the three merging RHCs. (to become Area Committees)</p> <p>Frankston Area – 2 positions Oakleigh Area – 2 positions Ringwood/Croydon Area -2 positions</p> <p>Atleast one other position will be available to a member from the next RHC to merge with SouthEast. If a second position is not taken up be a non-member this position may also be offered to a merging RHC.</p> <p>Where a Director position remains unfilled for whatever reason, nominations will be called for from all members and a ballot of all primary members (refer Rule 7(6)) will be held as detailed in Rules (refer Rule 28(1 to 11)). These may be named as short term positions.</p> <p>Member director positions will be rotational where three member directors will retire each year.</p>	<p>– At least one and up to two independent directors will be selected by the Members Directors, subject to availability and suitability.</p> <p>Expressions of interest will be sought through local newspapers, newsletters and networks, including the Co-operative Federation of Victoria.</p>

It is anticipated that as well as holding skills in financial and property management, Independent directors will have an understanding and commitment to community housing and co-operatives. Each director will be assigned a portfolio or particular area of responsibility.

The Board of Directors will have access to a professional team consisting of an auditor, legal and financial adviser and representatives of the Office of Fair Trading & Business Affairs and Office of Housing to ensure SouthEast has a sound organisational structure.

Finally, it is proposed that directors expenses will be reimbursed subject to budget constraints and that directors will be covered by Directors and Officers Liability Insurance.

Voting

The situation of one vote per one director will operate, proxy voting will not be permitted. In a situation of a tied vote the chairperson would have the casting vote. Voting will be optional and will be conducted on a first past the post voting system. Staff are not eligible to be directors and therefore not permitted to vote in any circumstances but may be required to attend Board Meetings to provide information, advice and support to Board members.

2.5.3 Area Committees

Groups who previously operated as Rental Housing Co-operatives (RHC) will function as Area Committees of SouthEast, meaning all tenant members will be part of one Area Committee. While the Board will assume total responsibility for all legal and financial aspects of SouthEast, the former RHCs operating as Area Committees will retain certain responsibilities and reduced involvement of the actual governance of SouthEast.

To maximise opportunities for tenant involvement in the management of their housing, members will nominate and vote for candidates for member director positions on the Board of Directors. All members will be able to nominate for the Board. Tenant members will be able to raise issues and make policy recommendations through member directors at quarterly Area meetings as well as at a Six Monthly Policy Review Forums and Annual Tenant Forums. Through these channels tenants will have direct input into the policies and procedures that guide the Co-operative's operation.

The Area Committees will also be responsible for the following:

- Attend General Meetings and Special General Meetings
- Hold at least quarterly Area Committee meetings
- Attend Policy Forums and make policy recommendations to the Board
- Have the opportunity to attend Annual Forums of all SouthEast members.
- Delegated members will act as contacts to assist in the organisation of out of hours Emergency Maintenance work and follow up of completed maintenance work.
- Assist with house inspections and non-skilled, minor maintenance work.
- Nominate two members to form an Administration Support team, working on a roster basis to assist staff at the central office.
- Tenant Selection - recommend suitable households to be placed on the centralised waiting list for their area.
- Elect members to serve on the Grievance Committee

To assist in the organisation of these responsibilities Area Committees will be required to nominate Maintenance and Tenant Selection committee members to assist SouthEast employees in the management of the co-operative by undertaking specified activities as determined by the Board. Member Directors representatives will report to Area Committee meetings, while staff will only attend Area Committee meetings on request.

These matters will be regulated by clearly defined policy and procedures developed by the SouthEast Working Group and refined by the board of directors in consultation with Area Committees. Clearly defined lines of responsibility and established lines of communication will be developed between SouthEast and Area Committees to ensure the smooth running of the organisation. SouthEast will promote principles of co-operation and tenant involvement in management and endeavour to incorporate these principles as far as practicable.

2.6 Service Delivery Plan

The core business function of the SouthEast Housing Co-operative is the management of long and medium term co-operative housing in the southern and eastern metropolitan areas of Melbourne.

SouthEast's will manage affordable, long term community housing, whereby "existing" tenants will retain their current tenure entitlements and "new" tenants defined as those who commenced their tenancy after October 4th, 1998 will be housed under new tenancy criteria, as outlined by the OoH. All tenants will become members of SouthEast and be given the opportunity to have input to important decisions surrounding their housing, providing a sense of personal empowerment and ownership.

Eligibility Criteria

People who meet the Office Of Housing's income and asset eligibility criteria and who are capable of independent living, will be considered eligible for tenancy and membership of SouthEast.

2.7 Organisations Priority Areas

SouthEast priorities will be to establish operational systems capable of providing:

- effective asset management planning, including efficient and cost effective property management procedures.
- thorough financial management and reporting mechanisms.
- efficient rental payment system, including a process for monitoring and responding to rent arrears.
- fair and equitable tenant selection procedures.
- clearly defined accountability arrangements with the Community Housing Group, Office of Housing.
- on-going opportunities for tenants to be involved in management.

- protocols with support and referral agencies to regulate support services and referrals.

3. ORGANISATION PLAN & POLICIES

3.1 Management Structure

Staff will be responsible for carrying out the management functions of the Co-operative directed by established policies and practices developed by the Board. The Board will be responsible for ensuring transparency and accountability in all financial and legal matters.

MANAGEMENT FUNCTIONS

FUNCTION	AREA OF RESPONSIBILITY
Financial management	Management of all financial aspects of SouthEast which includes financial record keeping, rent collection, managing of budgets and payment of bills .
Asset management	Manage all SouthEast assets by utilising a comprehensive asset management plan which includes responsibility for cyclical, general and emergency maintenance.
Tenancy management	Manage incoming and outgoing tenancy arrangements, including responsibility for tenant selection, lease arrangements, income assessment, handover and inspection of properties.
Administrative management	<ul style="list-style-type: none">- Complete all administrative requirements of an incorporated co-operative.- Complete reports to Office of Housing- Maintain Office Files.- Dissemination of information to the directors and members.- Organisational development, including the implementation and review of SouthEast's policies and procedures.- Develop and organise a comprehensive training program.

3.2 Staffing Structure & Industrial Relations Procedures

The SouthEast Housing will have complete legal responsibility for the employment of staff. Staff will be accountable to a Staffing Sub-committee consisting of up to three delegated Board member(s), one of whom will be nominated as the Staff Liaison Person who will be the staff contact for day to day staffing issues. The Staffing Sub-committee will report to the Board. All staff will be required to adhere to SouthEast's Industrial Relations policy and procedures which have been developed with reference to Australian Workplace Relations and Occupational Health & Safety legislation.

It is proposed that SouthEast retains the experience of current staff where possible. Certified Agreements based on the Social and Community Services Award will be negotiated and registered with Dept. Employment. Further staff training may be necessary and will be made available as the demands of the organisation increase.

The merger has allowed SouthEast to develop a specialised staffing structure. This will produce greater productivity and accountability. Position Descriptions have been developed detailing duties and responsibilities of each position. As the funding agreement is currently being negotiated, exact staffing hours available is not yet finalised

STAFFING POSITIONS

The range of management tasks (Refer Appendix 1) necessitates the creation of three distinct employment positions to ensure the successful operation of SouthEast and to ensure all accountability and reporting requirements are met. Initially, SouthEast will manage 101 properties which will allow for approximately 96 hours of staffing time under cost pool funding arrangements. It is anticipated that once operating systems are established that growth in property numbers will not require a corresponding growth in staffing hours.

Asset Co-ordinator (Asset management/organisational co-ordination)

Fulltime Position (38 hours/week) – SACS Award, CDW Classification

Duties:

- Co-ordination of Organisation and related administrative tasks (6 hours per week)
- Asset Management – responsibility for co-ordinating and organising maintenance on all properties (28 hours per week).
- Community Liaison, community development, education and recruitment (2 hours per week)
- Liaison with Area Committees/Member contact (2 hrs per week)

Finance / Tenancy Administration Worker (Financial and management)

Part-time permanent position (30 hours per week) - SACS Award, CDW Classification, Class 2b.

Duties:

- Responsibility for co-ordinating the financial administration and management of the organisation, including payment of accounts, bookkeeping, maintaining financial records, rental rebates, rents and member contact. (20 hours)
- Responsibility for the administration of all tenancy matters. (8 hrs per week)
- Responsibility for office administration (2) hrs/week)

Because of the uncertainty surrounding the demands on workers time and the tasks to be undertaken, the staffing structure will be subject to on-ongoing review and refinement. Such things as the role to be played by members and the impact of the likely future expansion of the co-operative will need to be considered. Members through their Area Committees will have a direct role in the organisation of property maintenance, interviewing prospective tenants, and assisting with office administration. However the extent of this involvement has yet to be determined.

Areas of responsibility will be clearly defined and time management will be given a very high priority and monitored by the Staffing Sub-committee. Given the dynamic nature of SouthEast, the likelihood of expansion and increased funding, staffing positions will be subject to ongoing review and appraisal. (Refer to page 21 for budget details,

3.3 Office Location

Following careful consideration of budget restrictions and operational efficiency, the Working Group has opted to establish a central office at Suite 16, 88 Walker Street, Dandenong, which will become the registered office of SouthEast. All staff will be co-located at the registered office. The office has disabled access and is within walking distance of train and bus stops. Individual offices will be phased out within a month of the commencement of SouthEast's operation.

3.4 Education and Training

SouthEast has a commitment to provide training to directors, members and staff. Directors will undertake necessary training in management, industrial relations and co-operative legal requirements. Likewise, staff will be required to undertake training to meet the changing demands of the organisation. In particular asset management and financial management training will be given priority.

Members who volunteer their time will also be provided with training as well as a comprehensive charter of their rights and responsibilities as volunteers. The on-going involvement of members and the issue of voluntarism is important to SouthEast.

3.5 Protocols with Other Organisations

SouthEast will develop protocols with other organisations associated with housing and referral to regulate all inter-agency dealings in a professional and productive manner. As a matter of priority SouthEast will develop clear protocols with all Transitional Housing Managers who operate in the same geographical area. Grievance procedures have also been developed to assist should disputes arise.

3.6 Operational Policies & Procedures

SouthEast has developed a comprehensive Policy and Procedures Manual which in addition to the legal requirements of the Co-operations Act '96, the Residential Tenancies Act '97 and other relevant legislation will direct the operation of SouthEast in a professional and effective manner.

SouthEast policies are based on the founding co-operatives' policies and practices established over a period of years, representing best practice. These policies have been further refined to reflect current trends and the needs of a larger centralised management organisation and will produce a number of cost efficiencies. The Policy Manual index is listed over the page.

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4 OPERATIONS PLAN

4.1 WORK PLAN

The SouthEast workplan must be flexible enough to allow for change and amendment in response to Office of Housing contractual obligations and/or tender details. To ensure it is an effective workplan, the content of the workplan and the timelines for its implementation may need to be re-viewed from time to time.

Stage 1: Establishment Stage		
	1. Preliminary investigation & planning	Completed
	2. Develop proposed organisational structure, financial management & asset management model draft.	Completed
	3. Meet with Office of Housing for review	Completed
	4. Finalise organisational and operational policies and procedures.	November 99
	5. Arrange formal agreement to amalgamate between the founding RHCs.	Completed
	6. Complete Management Proposal draft	Completed
	7. Review meeting with Office of Housing	Completed
	8. Lodge draft Model Rules	Completed
	9. Finalise arrangements for merger.	
	10. Recruitment	
	11. Seek expressions of interest for director positions.	
	12. Amend & complete final draft of Management Proposal.	November
	13. Finalise lease arrangements	November
	14. Recruitment	
	15. Commence amalgamation of management functions of participating co-operatives.	November
	16. Finalise Model Rules, Banking arrangements, Industrial relations procedures, office(s), computer compatibility etc	November
Stage 2: Development Stage		
	1. Complete Model Rules & merger negotiations	1st November
	2. Incorporation/Formation Meeting	Late November
	3. Open bank account	
	4. Establish finance & asset management systems	
	5. Commence operation of SouthEast.	1 Dec.
	6. Merge of finances into central account, subject to funding agreement	
	7. Implement Co-operative Planning Cycle (see over page)	
	8. Budget preparation & audit	May '00
	9. Formal consolidation of other RHCs under SouthEast umbrella.	On-going
	10. Education & training of new members on procedures	On-going
	11. Tenant Forum re: policy and procedures review	On-going
	12. Annual Evaluation & Review of Business Plan & structure	Oct - Dec.
Stage 3: Ongoing Operation		
	1. Ongoing operation and housing management	Jan. 2001
	2. Investigate options for growth	On-going

4.2 PLANNING CYCLE OF THE ORGANISATION

A planning cycle for the organisation has been developed to provide a structure in which the Board, Area Committees and staff are able to maintain the efficient operation of SouthEast, to effectively assess the progress of the organisation and to implement change as required.

The planning cycle also provides transparency and accountability through a process designed to ensure financial viability and sound organisational development. The activities, outlined in Table 1 provide a structure for a comprehensive planning cycle for SouthEast.

Table 1: The Planning Cycle.

Activity	Month Conducted
Asset Appraisal/ House Inspections	February - April
Financial Year Budget Preparation	May
Asset Management Budget Preparation	June
Annual Performance Audit - review outcomes for year - review organisational structure - tenant member evaluation	July
Annual Financial Audit	August
Annual General Meeting	September
Review Business Plan	November
Staff Appraisal	November
Strategic Planning/Goal setting for calendar year	December

4.3 STRATEGIC PLANNING

4.3.1 Objectives

See page 8

4.3.2 Strategies

A number of strategies were utilised to develop the SouthEast management proposal and to assist in the development of its new co-operative housing model. Members of the SouthEast Working Group have drawn together their combined experience and knowledge to formulate a management proposal that represents a viable and successful rental housing co-operative that will service the southern and eastern metropolitan areas of Melbourne.

The management model has been developed in the knowledge that the Office of Housing wishes to achieve improved economic efficiencies based on economies of scale as well as improved levels of accountability. These factors have provided a framework for the management model and together with the Working Group's commitment to co-operative structures and maintaining tenant involvement in management, as well as the proven ability of the founding RHCs property and financial management skills, have resulted in a very effective model.

To ensure SouthEast achieves its objectives it has developed a comprehensive planning cycle to plan, monitor and evaluate its progress. Annual reviews of all aspects of SouthEast's operation will allow the Board, staff and members to evaluate progress and to further develop and improve upon its structure. Further, thorough operational procedures and policies will provide clear ground rules for the successful operation of the Co-operative.

Regular contact with the Office of Housing and other similar housing organisations to discuss and review practices and priorities will also assist the success of SouthEast. Finally, it is considered important that directors and staff representatives participate in community housing conferences and forums at the state and national level to ensure they stay abreast of current issues in co-operative housing and the changing face of community housing

4.3.3 Performance Indicators.

1. Successful settlement of the merger arrangements by November 1999, including consent from the Department to merge under current lease arrangements with provision for increased reporting and accountability requirements.
2. Official commencement of SouthEast by 1st December 1999.
3. Recruitment of at least one other RHCs by 30th April, 1999
4. Provision of affordable and secure accommodation for large number of low income families in the southeastern area of Melbourne.
5. Completed Financial Audit indicating a successful year meeting financial targets and keeping within budget.
6. Renewal of Lease/Management Contract in September 2001.

5. FINANCIAL MANAGEMENT

5.1 FINANCIAL MANAGEMENT FRAMEWORK

5.1.1 Introduction

SouthEast will be fully responsible for the financial management of the organisation and all properties under lease from the Office of Housing (OoH). Following formal acceptance of the SouthEast management proposal and the assigning of individual headleases to the new organisation, the founding co-operatives will merge all finances into a centralised account with the Macaulay Credit Union and consolidate all assets and undertakings.

5.1.2 Financial Agreement with Office of Housing

The financial viability of SouthEast is reliant upon SouthEast reaching agreement with the OoH on the following matters:

1. SouthEast will continue to operate under current headlease arrangements.
2. SouthEast will forward rental rebate returns to the OoH on a monthly basis.
3. The OoH continues to meet the cost of major upgrading works on all properties, including any major works resulting from criminal damage.
4. Agreement that the SouthEast Board of Directors will have provision for two independent Directors.
5. Agreement to provide additional reporting and to implement improved accountability arrangements.
6. Agreement that should SouthEast accumulate surplus funds, that these funds be used to partly fund the purchase of additional stock which would become the property of the Office of Housing under lease to SouthEast. Alternatively, any surplus funds would be used to undertake additional secondary upgrading works.
7. That SouthEast is able to participate in tendering for additional community housing properties to boost the number of properties under our management to further improve our financial viability.
8. That any notified unpaid subsidy debt owed by the foundation RHCs be written off. This is necessary for SouthEast's financial viability and is justified by the fact that the RHCs were prevented from expanding to the size originally anticipated by members and Office of Housing representatives at the time of their development.¹

SouthEast also agrees to the following:

- maintain all financial systems and reporting mechanisms as required by the OoH
- ensure that all assets under our management are maintained to a high standard within budget constraints
- abide by all relevant OoH policies.
- Operate within the Residential Tenancies Act 1997 and the Co-operations Act 1996.

5.1.3 Cost Efficiencies & Benefits

SouthEast will generate cost efficiencies and benefits which will result in improved maintenance work on all properties and the accumulation of funds to be used to purchase additional properties, subject to the Director of Housing's approval.

SouthEast will generate the following cost efficiencies and benefits:

1. The reduction of office expenses and administration costs will produce significant cost savings. In particular the establishment of a central office and the closure of individual co-op offices will generate significant cost savings.
2. An improved worker/property ratio will be achieved through the acquisition of additional properties through mergers and/or purchase of new properties. This improved worker/property ratio will produce considerable cost savings.

¹ Each of SouthEast's founding Co-ops have an outstanding subsidy debt to the OoH which is in part due to the State Government's decision to stop the growth of RHCs in the early nineties and lack of communication. Growth would have enabled RHCs to re-pay these debts. Once the merger is completed the Deputy Director of Housing has given an undertaking that these debts will be written off.

3. Through economies of scale there will be a number of savings through bulk purchasing, tax exemption, reduced auditing fees and bank fees.
4. Less time required by both the OoH and Co-op staff in administrative matters.
5. Investigations into obtaining Public Benevolent Institution (PBI) status will be conducted following incorporation. If successful this will produce further savings.

5.1.4 Professional Advice & Audit

SouthEast has appointed the accountancy firm Shephard, Webster & O'Neill of 434 Nepean Highway, Frankston as its official auditors for 2000/2001 financial year, to conduct the annual audit and prepare financial statements. Shephard, Webster & O'Neill have excellent credentials as auditors and also comprehensive knowledge of co-operatives. This firm will also be available to provide professional advice on an ongoing basis.

5.2 FINANCIAL MANAGEMENT STRATEGIES

5.2.1 Financial Management

Initially, 24 hours per week of staffing time will be allocated to the management of finances. The position of Finance Worker, under the direction of the Directors for Finance, will be responsible to ensure all financial requirements as outlined in the draft Management Agreement are met.

5.2.2 Budget

Draft annual Administration and Maintenance budgets will be prepared in May by the Finance Worker in consultation with the Asset Worker and Directors for Finance. The budgets will be submitted to the Board for formal approval. The budget will be reviewed as part of the Business Plan review in November of each year.

5.2.3 Information & Reporting

Financial reports will be provided to the Board of Directors at each monthly meeting and will include cashbook summaries, bank reconciliation statement, an analysis of budget performance and a rental report.

It is proposed that the following financial reports will be forwarded to the Office of Housing:
Annually - Audited accounts, including profit and loss statements, balance sheet and audit report.

Quarterly - Progress report outlining all expenditure.

- Report on current financial situation of all accounts.

- Report outlining all new tenancies will be included in Rebate Applications.

Monthly - Rent and Rebate Statements

- Rent and Rebate Returns

5.2.4 Operating Accounts & Signatories

It is envisaged that SouthEast will operate one cheque account into which all receipts will be paid. This includes rent payments, interest and any other income. All payments will be made from this account, including the transfer of rebatesurplus to the OoH. A second account will be opened to accumulate surplus funds to be used for purchase of additional properties or to finance additional secondary upgrading work as per agreement with the OoH.

All cheques will require two signatures as per the Co-operations Act 1996 and only directors will be signatories to accounts. Workers will not be able to sign any cheques.

5.2.5 Expenditure Authorisation

The Board will delegate payment authorisation to the Finance Worker for day to day operational expenses provided they do not exceed the authorisation limit of \$200.00. Payment of items beyond the limit will need to be authorised by the Board.

5.2.6 Insurance

The OoH will maintain responsibility for property insurance cover for all houses on lease to SouthEast and meet the cost of insurance premiums, meaning any claims for insurance matters will be made direct to OoH. SouthEast will hold the following insurance policies : Fidelity, Contents, Accident & Public Liability, Directors & Officers Insurance and Plate Glass.

5.2.7 Directors Expenses

Directors out of pocket expenses will be reimbursed.

5.3 FUNDING PROPOSAL

5.3.1 Unspent Funds

Each of the participating R.H.C.s have undertaken to utilise unspent funds to finance cyclical maintenance work prior to the merger, as agreed to with the Community Housing Group manager. The cyclical works were identified by the COMAC house inspections and discussed with Regional Project Officer. The remaining unspent funds from each of the founding co-operatives will be pooled into SouthEast's operating account to be used to complete identified cyclical maintenance works.

Should arbitration confirm the proposed reduction in Administration funds for RHCs, back dated to 21/2/99, Frankston and Ringwood/Croydon RHCs will have already committed considerable funds to the re-structure process. Both these RHCs have maintained their employees at the same number of hours up to November, despite a funding shortfall.

ESTABLISHMENT COSTS

The budget for Establishment Costs includes expenditure items necessary to establish SouthEast and to ensure it is a highly organised and efficient organisation, capable of managing co-operative housing throughout the metropolitan area of Melbourne. The budget is based on 2 staff members operating from a central office.

ITEM	COST
1. Professional Advice	\$1,800.00
2. Pentium Computer x2 (includes modems & software)	\$4,950.00
3. Printing, signage & promotion	\$1,350.00
4. Workstations x 3	\$2,100.00
5. Ergonomic chair x 3	\$1,200.00
6. Training - director	\$4,000.00
7. Training - staff	\$2,000.00
8. Photocopier	\$7,000.00
9. Top wages to complete merger	\$2,000.00
TOTAL	\$26,400.00

Explanation of Establishment Costs

1. Professional Advice

Legal assistance is required to complete Model Rules, merger negotiations and to finalise agreement between RHCs who choose to merge with SouthEast. Assistance from our auditor will be sought to finalise financial management systems.

It is also considered essential that SouthEast take out membership with an Employer Organisation such as V.E.C.C.I. to assist with developing Enterprise Agreements, Performance Indicators and Position Descriptions etc..

2. & 3. Computers

SouthEast will need two new computers, which are Y2K compliant and capable of accessing the Internet and utilising E-mail. The computers' will also be networked. It is essential the new computers are compatible with software enabling inter-computer access. These computers and software are an essential ingredient to the successful operation of SouthEast.

4. Printing, Signage & Promotion

It will be necessary to produce new letterhead paper, common seal, address stamps, signage for offices, business cards etc. for SouthEast.

5. Work Stations & Ergonomic Chairs

To enhance SouthEast's professional image it is essential that we purchase new office furniture. To avoid any work related injuries and to ensure SouthEast complies with occupational health and safety legislation new ergonomic office furniture is required for each staff member.

6. Training

Training in legal and financial requirement of the new co-operations act and responsibilities of directors is necessary to guarantee SouthEast functions effectively. Also staff needs to update their computer skills to keep abreast of change, in particular they require training in new database and financial management software .

7. Photocopier

The organisation requires a minimum of one good photocopier to function effectively. The photocopiers currently owned held by each RHC are old and have very limited trade-in value.

8. Top up wages to complete merger.

Frankston RHC has already expended considerable amount of time and money on the merger and therefore requests \$2,000.00 to complete the merger over the coming month.

5.3.4 Operating Budget – 101 houses.

At the time of completing this Management Proposal the financial model for RHCs was in dispute and the possible subject of arbitration. The most significant change under proposed financial model is the reduction in Administration Allowance to \$1300 per property per year initially, then a further reduction to \$1000 on December 1st, 1999. This proposed reduction together with the impact of the G.S.T would undermine SouthEast's viability until such time as Eastern Suburbs RHC or other RHC merged with SouthEast.

As legal opinion suggests variation of funding arrangements under the lease is not possible, our financial model is based on current financial arrangements as per head lease.

Administration Allowance

\$1800.00 per property per year.

Annual Income \$1861,800.00

Maintenance Allowance

Rate: Brick/brick veneer per year	\$1,233.00
Strata title	\$ 1,058.00
Weatherboard	\$1,526.00
Total Cost = 75 brick veneer units	\$92,475.00
13 strata title units	13,754.00
13 weatherboard/clad units	19,838.00
Annual Income	\$126,067.00

TOTAL ANNUAL INCOME \$307,867.00

Property Insurance, Rates , Provisions for Bad Debts and Vacancies & Body Corporate Fees are not included in budget outlined over the page as these allocations correspond to actual cost.

SouthEast Housing Co-operative Annual Operating Budget

INCOME

Maintenance Allowance	\$126,067.00	
Administration Allowance (includes Admin,Comm & Miso.- \$1885/prop.)	\$190,385.00	
Property Insurance (\$64/property)	\$6,464.00	
Vacancy & Bad Debts (5% of rental income)	\$3,120.00	
TOTAL INCOME		\$326,036.00

EXPENDITURE

1. PROPERTY MAINTENANCE (general, emergency & cyclical)	\$126,067.00	
		\$126,067.00
2. ADMINISTRATION		
Audit	\$4,000.00	
Bank Charges & Centrepay fees	\$5,200.00	
Depreciation Office Equipment	\$3,000.00	
Education & Training (members & staff)	\$1,500.00	
Insurance - Fidelity Guarantee & contents	\$670.00	
Area Comm.Meeting Expenses	\$2,100.00	
Postage	\$2,000.00	
Printing & Stationary	\$2,500.00	
Phone, fax, internet & modem	\$1,800.00	
Subscriptions	\$600.00	
Car lease fees (\$475/mnth Income tax exempt rate)	\$5,700.00	
Fuel (12,000kmx.90c per Lt & 4.5km per litre)	\$2,400.00	
Car comprehensive insurance	\$750.00	
Travel (other vehicles & members)	\$3,500.00	
Office Rents (\$1100/mnth)	\$13,200.00	
Office council rates/water fees etc..	\$1,350.00	
Office power	\$1,100.00	
Office Amenities	\$1,500.00	
Legal lodgement fees	\$300.00	
Directors meeting costs	\$3,000.00	
Directors training	\$3,000.00	
Conferences	\$5,000.00	
Miscellaneous	\$3,000.00	
		\$67,170.00
3. OTHER EXPENDITURE		
Vacancy & Bad Debts	\$3,120.00	
Property Insurance	\$6,464.00	
Operating Subsidy debt	\$ 1,711.00	
		\$11,295.00
4. STAFFING COSTS		
Wages (68 hours - 38 hrs/wk, 30hrs/wk)	\$86,000.00	
Super @ 7%	\$6,020.00	
Holiday Leave Loading	\$ 1,157.69	
Workcover	\$650.00	
Long service provision	\$2,000.00	
		\$95,827.69
TOTAL EXPENDITURE		\$300,359.69

* Water & Council Rates & Body Corporate fees excluded. These costs included in cost pool calculations.

5.4 ACCOUNTABILITY

The following measures will provide improved financial accountability arrangements between SouthEast and the OoH.

1. Increased reporting as outlined in 5.2.3
2. Maintain annual audit and lodgement of accounts.
3. Board of Directors will have responsibility for management of SouthEast rather than general membership and the Board will contain up to two independent directors as per Co-operations Act 1996.
4. Allocation of duties between Asset Management and Finance Management to ensure specialist skills in all areas of operations.
5. Individual Directors being appointed to oversee the specific areas of operations to support the specialist skills of workers.
6. The State Government has increased the accountability on all Co-operatives with the introduction of the Co-operations Act 1996 which virtually mirrors the Companies Code in terms of directors' responsibilities and legal requirements.

6. ASSET MANAGEMENT

6.1 INTRODUCTION

Asset Management will be assigned a very high priority by SouthEast to ensure the value of the State Government's asset is maintained. SouthEast will be responsible for administering all maintenance funds which will be held in the central account and thorough planning will ensure that SouthEast maximises use of available funds. The Asset Worker will work closely with the Finance Worker to formulate efficient budgets which will be presented to the Board

SouthEast will assume responsibility for all maintenance work on all properties, while COMAC will retain responsibility for major upgrading works through their secondary upgrading program.

SouthEast will allocate up to 42 hours of staff time to Asset Management to be shared by two staff members one of whom will have overall responsibility for Asset Management with the title of Asset Worker. The staff members responsible will co-ordinate all house maintenance in a professional and systematic way. The Asset Worker will receive training and be supported by the Directors responsible for Asset Management.

Prior to the formal merger planning for outstanding maintenance work will be set in place. Individual RHCs will provide updated priority works lists for cyclical and general maintenance and highlight properties which require cyclical works within the first 12 months of SouthEast's operation. The most urgent works will then be undertaken utilising the uncommitted portion of funds from RHCs unspent funds on hand at the time of the merger.

Likewise the OoH have made a commitment to provide funding for secondary upgrading works on properties identified by COMAC property inspectors, prior to official handover to South East.

6.2 STRATEGIES FOR ASSET MANAGEMENT

The following strategies will be utilised as the basis for a comprehensive asset management plan.

- An annual asset appraisal
- Planning & targeting of maintenance works
- Spending & Budget Procedure
- Tenant responsibility to maintain houses & repair any tenant caused damage
- Vacated property allocation
- Tenant input to properties
- Insurance

6.2.1 Annual Asset Appraisal

The annual Asset Appraisal will involve the following steps:

1. An annual house inspection will be conducted on all properties by the Asset Worker and a volunteer. The initial house inspection will identify property characteristics and floor plans as well as maintenance requirements.
2. Property standards and maintenance requirements will be fully documented and maintained on a comprehensive data base, which will provide an individual property audit for all properties.
3. Initial planning and costing of all maintenance requirements.
4. Development of annual maintenance budget.
5. Identification and documentation of secondary upgrading requirements.

6.2.2 Planning & Targeting Maintenance Works

SouthEast will maximise the use of funds allocated for house maintenance by carefully monitoring the condition of all properties and utilising information on the Property Data Base. SouthEast has developed comprehensive policies and procedures for the identification, planning and implementation of all maintenance work including clear guidelines on the role and responsibilities of tenants and volunteers. (Refer Section 6: Policy & Procedures Manual for details of the Maintenance Procedures.)

Tenants' requests for maintenance work will be assessed and placed on an Priority Works List and acted upon in order of priority. The process for prioritising of general and cyclical maintenance works will be based on the following criteria:

- health, safety and security considerations
- legal responsibility as landlords
- likely deterioration of the property resulting from maintenance requirements
- budget considerations/priorities

Strategies will be adopted to minimise expense. For example maintenance work which would further deteriorate if delayed will be given priority over non-essential maintenance.

6.2.3 Budget & Spending Procedure

The annual maintenance budget will be developed by the Asset and Finance Managers and submitted to the Board for refinement and formal ratification. The maintenance budget will have three components: General, Cyclical and Responsive/Emergency.

The Asset and Finance Workers will also submit monthly plans for maintenance works and spending to Board meetings. Following the Board's approval the Asset Worker will arrange works and allocate funds for general and cyclical maintenance works. Emergency maintenance works will receive an annual budget and be arranged as per established maintenance procedures when necessary.

Funds will be allocated on a per property basis. There will be flexibility to shift funds within budgets.

6.2.4 Tenant Responsibility

Considerable emphasis will be placed on the role and responsibilities of tenant members in maintaining houses to a high standard. SouthEast will set high standards on tenant responsibility and maintaining houses in an appropriate manner will be a requirement of membership, subject to the provisions of the Residential Tenancies Act (1997).

The responsibilities of tenants will be included in the lease agreement and the expectations on members will be clearly outlined in an Information Booklet attached to the lease. Co-operative principles and structures will assist in reinforcing these standards.

Further, tenant caused damage will be pursued rigorously.

6.2.5 Vacated Property Allocation

Costs resulting from irrecoverable tenant caused damage of a criminal nature will be borne by SouthEast if not claimable through insurance.

6.2.6 Tenant Member Input to Properties

In addition to tenant involvement in out of hours emergency maintenance work via Area Committees, SouthEast will encourage tenants to participate in supervised working bees, assist in cleaning and restoration work on vacated properties and assist with other non-skilled works. Further, tenant members and/or other community volunteers who are willing and able to undertake semi-skilled maintenance work will be encouraged.

6.2.7 Insurance Claims

The Asset Worker will be responsible for lodging insurance claims with the OoH for any damage to properties resulting from an unexpected event, malicious damage by non-tenants or burglary.

6.3 SECONDARY UPGRADING

SouthEast will assume responsibility for emergency, cyclical and general maintenance on all properties, the OoH through COMAC will maintain responsibility for major upgrading works. This includes assurance that all properties will be upgraded to a good standard prior to official handover to SouthEast or a guarantee that funds will be made available to ensure outstanding upgrading will be done within the first 18 months of operation.

6.4 GROWTH & FUTURE EXPANSION

In the establishment stage SouthEast will concentrate on consolidating current assets and developing an effective and efficient management structure.

SouthEast will have the potential to expand and the capacity to allow other co-operatives to become part of the organisation. Other co-operatives will be contacted by representatives of SouthEast and invited to attend an Information Forum where they will be informed of the progress of SouthEast, its operational policies and procedures and if be invited to merge with SouthEast. Likewise, other forms of long term community housing will be provided with information on SouthEast and also offered membership if appropriate.

In addition to growth through mergers with other Rental Housing Co-operatives, it is requested that the OoH reach agreement with SouthEast for the purchase of new properties. This could be achieved in a number of ways, including the saving of surplus funds which may be generated through increased efficiencies and economies of scale. SouthEast is particularly interested in acquiring 2 bedroom units for older members whose circumstances have changed which would free up 3 bedroom houses for families and obviously lead to increased levels of stock utilisation. Also through the purchase of family accommodation and other forms of housing SouthEast could provide affordable housing for the many low income people contacting our offices on a daily basis.

6.4.1 New Opportunities for Growth

The need for an expanded community housing sector cannot be denied in light of the growing demand for all forms of Government housing. Pending the outcome of Federal and State Government research and deliberations into new opportunities for expansion of the Australian community housing sector, new opportunities for growth may present themselves in the future. In the meantime SouthEast is prepared to investigate opportunities for joint partnership arrangements with Local Government and Non-Government Organisations, if the OoH considers this an acceptable proposal.

7. TENANCY MANAGEMENT

7.1 Overview

Approximately 8 hours per week of staff time will be allocated to tenancy management duties. As tenants have long term leases this time allocation should be sufficient as the turn over of SouthEast's houses is estimated to be about 1 per month.

Tenancy management involves the following matters:

- Maintain waiting list
- Interview new tenants
- Lease arrangements
- House Allocation
- Key allocation.
- Complete conditions report
- House Inspections/Organise outstanding maintenance of vacated properties.
- Follow up tenant caused damage.
- Liaise with referral agencies

7.2 Tenant Selection

Interviewing prospective tenants, maintaining waiting lists and allocating houses is referred to as Tenant selection and will be conducted according to sound policies and clear guidelines which are in line with Residential Tenancies Act 1997, which are detailed in Section 5 of the Policy & Procedures Manual. The local Area Committees will be involved in interviewing and recommending households to join the waiting list but the waiting list will be maintained centrally by the staff person responsible for Tenancy Management.

Area Committees will be provided with clear guidelines on procedure for interviewing prospective tenants and notified with advanced notice of tenant intakes.

Referrals from Transitional Housing Managers will be considered once clear protocols are established.

7.3 Tenure

All tenants housed prior to October, 1998 will maintain their permanent tenancy leases which will be rolled over every five years. (Tenants in this category pay 23% of their income and 15% of their assessable family payments on rent).

All tenants, except for people over the age of 65 years housed after 4 October, 1998 will be on a 3 year reviewable lease. Older persons housed after this date will have 5 year reviewable leases. (Tenants in this category pay 25% of their income and 15% of their assessable family payments on rent).

7. IMPLEMENTATION PLAN

While maintaining usual operation of Frankston and Eastern Suburbs RHCs for the first 6 months of 1999, Working Group members completed the following steps of the Implementation Plan to formally establish SouthEast. It is anticipated all financial arrangements including establishment costs and financial model, and lease arrangements/contractual matters will be finalised before the end of November 1999.

January – June

- Actively seek expressions of interest from people interested in becoming independent Directors.
- Formalise member directors nominations from each founding RHC.
- Finalise interim arrangements for Board meetings- including venues, timing, secretary etc..
- Finalise Division of Responsibilities
- Draft Model Rules in conjunction with Office of Fair Trading
- Work on unresolved Policy & Procedures & complete draft of manual.
- Recruitment - Engage in discussions with other RHCs
- Purchase and network new computer system.
- Training of new Board & workers.
- Finalise Banking arrangements
- Recruitment - Engage in discussions with other RHCs
- Complete Month by Month Cash Flow budgets.

July - October

- Nominate Director positions and form Staffing Sub-Committee.
- Complete Rules & register with the OFT & BA
- Finalise Industrial Relations policies, enterprising agreements and staff reporting requirements
- Finalise Operational Policies & Procedures.
- Prepare letterhead, stationery etc...
- Recruitment - Engage in discussions with other RHCs

November

- Formation Meeting
- Incorporation
- Establish Registered Office & Filing Systems
- Hold Tenant Forum of representatives from all Area Committees (former RHCs)
- Merge all Co-op finances and budgets.
- Trail operational procedures
- Review structure

December

- Official Launch of SouthEast & full implementation of new Co-operative.
- Close Eastern Suburbs, Frankston and Mooroolbark offices.

APPENDIX 1 - MANAGEMENT RESPONSIBILITIES.

1. BOARD RESPONSIBILITIES

GOVERNANCE	STAFF MANAGEMENT	AREA COMMITTEES & TENANT FORUMS	Portfolios
Responsibility for governance of organisation with reference to Management Agreement & Co-operations Act. Attend Board meetings Payment authorisation Portfolios Appointment	<ul style="list-style-type: none"> - Industrial Relations strategy - Staff supervision - Timesheets - Leave arrangements - Payment of wages. 	Report to Area Committee meetings and annual Tenant Forums	Chairperson Secretary Staff Liaison Finance Director Asset Director Other Responsibilities: Staffing Sub-committee Admin Support

2. EMPLOYEE RESPONSIBILITY

ASSET MANAGEMENT	FINANCIAL MANAGEMENT	TENANCY MANAGEMENT	ADMINISTRATION
<ul style="list-style-type: none"> - Arrange cyclical and general maintenance works. - Budget planning - Liaise with contractors. - Conduct annual house inspections - Maintain property data base - Develop maintenance Plan/ Asset Management - Liaise with COMAC re:upgrading. - Report to the Board - Liaise with Area Maintenance Comm. 	<ul style="list-style-type: none"> - Budget planning - Maintain Rents Records - Rental rebate statements & returns. - Follow up arrears/ RTT - Accounting Records - Payment of accounts - Report to the Board & Dept. Human Services. - Banking 	<ul style="list-style-type: none"> - Maintain waiting list - Interview new tenants - Lease arrangements - Complete conditions report - Key allocation. - House Allocation - House Inspection/Organise outstanding maintenance of vacated properties. - Liaise with referral agencies 	<ul style="list-style-type: none"> - Maintain Office Files - Correspondence - Report to the Board - Attend Board Meetings - Minute Secretary to the Board - Newsletter - Meet legal requirements of Co-operations Act - Purchase amenities & stationary. - Information kits for new members
TENANT FORUMS <ul style="list-style-type: none"> - Attend annual Tenant Forums. - Attend Area Comm. meetings on request 		TENANT FORUMS <ul style="list-style-type: none"> - Attend annual Tenant Forums. - Attend Area Comm. Meetings on request. 	TENANT FORUMS <ul style="list-style-type: none"> - Assist in the organisation of and attend annual Tenant Forums
EDUCATION & RECRUITMENT <ul style="list-style-type: none"> - Meetings with other Co-ops & community housing groups. - Community Liaison 		EDUCATION & RECRUITMENT <ul style="list-style-type: none"> - Meetings with other Co-ops & community housing groups. - Community Liaison 	
45 hours p.w.	25-27 hours p.w.	10 hours p.w.	20 hours p.w.

APPENDIX 2 – MEMBER INVOLVEMENT / PARTICIPATION REQUIREMENTS

Board of Directors

- Nominate & elect representatives to the Board of Directors
- Receive and respond to reports from Member Directors.
- Participate in annual reviews & make policy recommendations to the Board.

Member Meetings

- Attend quarterly Area meetings & receive quarterly newsletters.
- Nominate Maintenance and Tenant Selection committee
- Have the opportunity to attend Annual Tenant Forums of all SouthEast members.

Maintenance

- Delegated members will act as contacts to assist in the organisation of out of hours Emergency Maintenance work.
- Assist with house inspections and non-skilled, minor maintenance work.
- Attend working Bees

Tenant Selection

- Interview perspective tenants
- Recommend suitable households to be placed on the centralised waiting list for their area.
- Support new tenants

Administration Support Group

- Assist with general administrative tasks at the central office on a roster basis.

Grievance

Nominate representatives to the Grievance Committee